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SUMMING UP

OF

EVIDENCE BEFORE A COMMITTEE

OF THE

HOUSE OF REPRESENTATIVES,

CHARGED WITH

The Investigation of Misconduct

IN THE

INDIAN OFFICE.

WM. WELSH.

WASHINGTON:
H. POLKINHORN & CO., PRINTERS,
1871.

PHILADELPHIA, *January 9, 1871,*

Hon. A. A. SARGENT, *Chairman, &c.,*

WASHINGTON, D. C.

Your official note informs me that the Committee on Appropriations of the House of Representatives (of the sub-committee of which you are chairman) is charged with the investigation of certain irregular and unlawful conduct of the Commissioner of Indian Affairs, referred to in my letter to the Hon. Secretary of the Interior.

Although I did not suggest an examination by the House of Representatives, yet I will not shrink from a duty imposed upon me as a citizen of the United States, and therefore have arranged the statements of misconduct, under the following heads, to enable your Committee to make a thorough examination without loss of time, and also to enable the Commissioner of Indian Affairs to prepare specific answers.

You ask the names of witnesses, I desire to have summoned. As the documentary testimony in the Indian Office, and with the Second Auditor, Commissary General, and Quartermaster General, will present the case fully, I do not desire to have witnesses sent for, but it may become necessary in the course of investigation.

Yours very respectfully,

WM. WELSH.

STATEMENT OF MISCONDUCT IN THE INDIAN OFFICE.

First. Extensive purchases of cattle, flour, groceries, &c., by private contract, about June 17th, August 10th, 1870, and at other times, in direct violation of a law of the United States, which requires such supplies to be advertised for in the public newspapers, before purchases are made.

Second.—Large purchases made nearly a month before the passage of the appropriation bill, and therefore without warrant of law, and to an extent not warranted by any exigency—the payments to one individual alone amounting to more than three hundred and thirty-five thousand dollars. The letters of June 18th, 1870, from the Indian Office to Agent Poole and others, show conclusively that there was no exigency requiring large purchases, as one-third of the cattle were to be delivered about July 15, one-third August 1, and one-third September 1, 1870.

Third.—A violation of the appropriation bill passed July 15, 1870. Section 3 making it the express duty of the Commissioner of Indian Affairs to consult the board of commissioners in making purchases of all goods to be paid for under said appropriation bill, large purchases of beef, flour, &c., having been made without the knowledge of said board of commissioners.

Fourth.—Section 3 of said appropriation bill makes it the duty of the Board of Indian Commissioners “to supervise all expenditures of money appropriated for the benefit of Indians in the United States, and to inspect all goods purchased for said Indians, in connection with the Commissioner of Indian Affairs, whose duty it shall be to consult said commission,” &c. This well-defined duty imposed on the Commissioner of Indian Affairs was only complied with in the supervision and inspection of dry goods, and

wholly neglected in other and far more extensive and important expenditures of money.

Fifth.—Culpable neglect in not ascertaining by telegraph or otherwise how much beef and other supplies were likely to be furnished by contractors under the Commissary Department, before making large purchases of beef, &c., as per contracts of June 17, and August 20, 1870.

Sixth.—Exorbitant prices paid for provisions about June 17 and August 10. Six-and-one-half cents per pound being the contract price for Texas cattle on the hoof, to be *received* and *receipted* for by the agent *immediately* on the arrival of the herd. The Commissary Department was at that time supplying the agencies at $4\frac{45}{100}$ cents per pound, and a contract, when properly advertised, was subsequently made by the Indian Department at $3\frac{88}{100}$ cents per pound. In both cases the contractor was bound to *keep the cattle at his own expense and risk, deliverable as required by the agent from time to time during the period of nine months.* The contractor for the cattle at $6\frac{1}{2}$ cents is also a partner in the contract at $3\frac{88}{100}$ cents. He and others in the cattle business admit that the cost and risk of keeping Texas oxen in that stormy region and near hostile Indians, for delivery as needed, exceeds $1\frac{1}{4}$ cents per pound, which, deducted from the $4\frac{45}{100}$ cents and $3\frac{88}{100}$ cents, makes the purchase at $6\frac{1}{2}$ cents, for prompt delivery, equal to an advance of 100 per cent. on the Commissary contract and 150 per cent. on the contract made by the Indian Office in *pursuance of law* after proper public advertisement. I was credibly informed and believe, that the cattle delivered in November at $6\frac{1}{2}$ cents a pound cost but $2\frac{3}{4}$ cents at some reservations, $2\frac{85}{100}$ cents at others, and 3 cents at the most remote. I am offered oxen in full supply for the next season at $2\frac{3}{4}$ cents a pound, delivered on the banks of the Missouri River, from June 15 to July 1, although the price of cattle has materially advanced in Texas since last spring. The best of the

cattle, say 4,000 head, of the $3\frac{88}{100}$ cents contract, cost 3 cents a pound, because they were bought so late that they could not reach Grand River before the close of November. I was credibly informed, and believe, between 2,000 and 3,000 cattle under the same contract were very inferior to the others, and that some of them cost $2\frac{1}{2}$ cents a pound or less.

Seventh—The following wrongful and censurable instructions to agents, dated Indian Office, June 18, 1870: "If the quantity of any or all of the articles delivered should vary from the foregoing, either more or less, it will make no particular difference. You will give Mr. Bosler proper receipts for all the supplies furnished by him at the time of the delivery." "The foregoing instructions" notified the agents at Whetstone that one-third of the cattle would be delivered, each, about July 15, August 1 and September 1, 1870. Mr. Bosler notified the agent that he would thrust upon him about 1,000 cattle by July 20. The agent remonstrated, as he had then nearly three months' supply on hand. A telegram from the honorable Commissioner of Indian Affairs, dated July 20, 1870, compelled him to receive from I. W. Bosler all the cattle he brought, say 839 head, in addition to the 1,200 already on hand at the agency. The agent reports that these additional cattle will cost him \$600 per month for herders, in addition to the cost of their rations, and that he apprehended a large loss to the Government from stampeding and other casualties. As these letters of instructions show that the contractor might deliver in July, August, and September, a plea that the contract for supplies was made to meet an exigency has no foundation in fact, and the reason for this *very peculiar clause* became manifest on this, and especially on subsequent occasions, for deliveries of $6\frac{1}{2}$ cent cattle were made in November, and attempts were made in the same month to force 7,000 additional oxen on the agents contrary to contract.

Eighth.—The neglect to advertise for proposals to furnish cattle immediately after the passage of the appropriation bill, July 15, is not only culpable, but seems to be something worse, when coupled with the fact that additional cattle, to the extent of more than \$155,000, were purchased privately, on or about August 10, and were allowed to be delivered as late as November 14, when, under the advertised contract, cattle were to be ready for delivery as early as the 15th of October, at $3\frac{88}{100}$ cents a pound.

Ninth.—Neglect in not notifying the Second Auditor of the receipt of a notification from Agent Randall, of Cheyenne, that his sub-agent had receipted for Texas cattle at twelve hundred pounds instead of nine hundred and thirty-eight pounds, the actual weight, &c. Also, culpable remissness in paying large sums of money on vouchers from irresponsible persons not officially known to the Department, said vouchers not giving the number of the cattle or stating whether they had been weighed or estimated, and by whom, or in the case of net weight of beef, whether the oxen had been killed, or how the estimate had been made.

Tenth.—Neglect in not sending a copy of the contract of September 17 to the various agents, as had been done with the private Bosler contract. The instructions of June 18 to receive without restriction had not been revoked, but had been strengthened by the telegram of July 20, from Commissioner Parker, ordering Captain Poole to receive without limit. That there was collusion in the attempt to defraud the Government is more than probable from the following reasons: 1. I. W. Bosler, the contractor at $6\frac{1}{2}$ cents, is also a partner in the contract of September 17, at $3\frac{88}{100}$ cents, and he avers that Governor Carney, the representative of another ring or combination of bidders, offered \$40,000 if the bid of $3\frac{88}{100}$ was withdrawn. 2. A nine months' supply of oxen, say nearly 7,000 cattle, would not

have been driven to the Missouri region in November if the contractors had expected to be held to their bargains. 3. No preparations were made by the contractors to keep the cattle, or to kill them and freeze the beef; that is, no hay was provided, no horses purchased, no herders hired, and no houses erected for protecting frozen beef. 4. A partially successful attempt was made by the contractors or their agents to force these cattle on the Indian agents, and they would have been largely, or perhaps wholly successful, if I had not, when in Washington, demanded to see the contract, and was therefore prepared to caution the Indian agents. Before I reached Crow Creek some four hundred of these cattle had been forced on an agent who had already resigned. He averred that he had given a temporary receipt under false representations. These new cattle caused his whole herd to stampede.

Eleventh.—Wastefulness of the public money in purchasing other articles, all from the same favored contractor, say bacon, (with the rib bones,) at 25 cents per pound; coffee, at 28 cents per pound; common sugar, made from molasses, at 18 cents per pound; inferior tobacco, at 85 cents per pound; and flour at $6\frac{1}{2}$ cents per pound, delivered at the agencies. Also, in buying from the same person, a resident in Pennsylvania, 25,000 ninety-eight-pound sacks of second quality flour, at \$3 50 a sack, delivered at Sioux City, where the market price was \$2 20; purchasing all privately from one person, instead of advertising, according to law, and not allowing bids of one thousand sacks or more, that persons living near the reservation might find a market for their products and manufactures. Wheat could have been contracted for at from 1 to $1\frac{1}{2}$ cents a pound, and a more nutritious diet manufactured on the reservation, with existing machinery, at less than half the cost of the flour furnished.

Twelfth.—Exorbitant rates paid for freight up the Missouri River, by not encouraging or allowing competition.

Thirteenth.—Grievous wrong* to the Indian service, by allowing peculiar facilities to a superintendent or superintendents, agent or agents, having strong political friends, by which the Government has been defrauded, or the welfare of the Indian retarded.

WM. WELSH.

PHILADELPHIA, *January 9, 1871.*

WASHINGTON, D. C., *January 13, 1871.*

DEAR SIR: I have the honor to acknowledge the receipt of your communication dated January 11, 1871, in which, by instructions of the Committee on Appropriations of the House of Representatives, you forward me, inclosed, a copy of a communication of William Welsh, esq., dated Philadelphia, January 9, 1871, and stating that you will receive any reply that I may be pleased to make.

I do not understand, from your communication, that I am personally or officially called upon to answer before your committee for any misconduct in office, or that, beyond the accusations contained in the letter of Mr. Welsh and matters connected therewith, there is anything pertaining to my administration, as Commissioner of Indian Affairs, into which you propose an investigation. I address myself, therefore, at once to the charges made by Mr. Welsh.

First. That I made extensive purchases of cattle, flour, groceries, &c., about June 17 and August 20, 1870, and at other times, in violation of law, I deny.

Second. That I made large purchases a month before the passage of the appropriation bill (of July last, I suppose he means) without warrant of law, and not warranted by any exigency, I deny.

Third. That I made purchases, in violation of section 3, appropriation act, approved July 15, 1870, I deny.

Fourth. That I violated said section 3, by reason of matters contained in said charge, I deny.

Fifth. That there was any culpable neglect, on my part, in not ascertaining the quantity of supplies likely to be furnished by the Commissary Department, before making purchases June 17 and August 20, 1870, I deny.

Sixth. As to many of the allegations in charge sixth I have no knowledge. That I purchased beef cattle in July and August, 1870, at prices greater than subsequently paid for beef cattle delivered under contract is true.* But my action in the matter was based upon the necessities and circumstances then surrounding me, which I will fully explain to the committee if it is desired.

Seventh. That I issued any wrongful and censurable instructions to agents, relative to receiving supplies in July or August, 1870, or at any other time, as alleged, I deny. My instructions are to be found in the Office of Indian Affairs, and will be furnished, together with any explanation your committee may require.

Eighth. That I was guilty, as charged, of any culpable neglect in the matter of advertising for proposals after the passage of the appropriation bill of July 15, 1870, I deny. As to purchases subsequently to the passage of the act I will make full answer whenever informed by the committee that such answer is desired.

Ninth. That I was guilty of culpable neglect and remissness, in failing to give proper notice to the Second Auditor in any matter whatever, or that I was so guilty in paying vouchers of any character, as charged, I deny.

Tenth. That I was guilty of neglect in not sending a copy of the contract of September 17, 1870, to the various agents, as had been done with the contract of J. W. Bosler, or that there was any collusion between Mr. Bosler

and myself, I deny. Whether "there was collusion in an attempt to defraud the Government" between persons other than myself, as is by Mr. Welsh asserted to be probable for reasons stated by him, I know not. But that I had knowledge of any such collusion or had ought to do with it, if such attempt was made, I deny.

Eleventh. That I was guilty of "wastefulness of the public money in purchasing other articles from Mr. Bosler," as alleged by Mr. Welsh, I deny. That I should have provided cracked wheat for the Indians instead of flour is a matter of policy in supplying these people, about which there may be honest difference of opinion, and I suppose I need suggest nothing further in reply to the charge that I preferred to furnish flour.

Twelfth. That "I paid exorbitant rates for freights up the Missouri river by not encouraging or allowing competition," I deny.

Thirteenth. That I was guilty of "grievous wrong to the Indian service by allowing peculiar facilities to a superintendent or superintendents, agent or agents, having strong political friends, by which the Government has been defrauded or the welfare of the Indian retarded," I deny.

Your committee will observe, upon reading the charges numbered from one to thirteen inclusive, that, in some cases, they contain statements of facts of which I can have no knowledge; that they abound in inferences of the person making them which do not necessarily follow from the facts themselves; that they cover a wide range of inquiry, not only into particular transactions, but the general policy of the Indian Office; that they are often vague and uncertain in allegations of facts, but of this I care little. There are substantial averments which concern me personally and officially, and all such I stand ready to answer.

Your committee now have the charges and my reply.

I suppose the just and proper course in such investiga-

tions will be pursued, and that the accuser will be called upon to make good his charges.

To the extent of all knowledge in my possession I offer my assistance.

I only ask to be permitted to be present when witnesses are called, and have the privilege of cross-examination ; to be furnished with a copy of the evidence, if consistent with your rules of procedure, and to be permitted to call witnesses myself to explain any matter deemed important where witnesses may be necessary.

I have the honor to be your obedient servant,

E. S. PARKER.

Hon. A. A. SARGENT,

Chairman Sub-Committee, &c., House of Representatives.

WASHINGTON, D. C., *February 15, 1871.*

*To the Sub-Committee of the Committee on Appropriations,
charged with the investigation of wrong-doing in the Indian
Office:*

GENTLEMEN: The duty that devolves on me of summing up the voluminous and somewhat contradictory testimony in the case under consideration is easy, because the law bearing on the subject is clear—the leading facts are substantiated by documentary testimony, and the United States Government has decreed that the market value of merchandise and of transportation is to be ascertained “by advertising a sufficient time previously, for proposals respecting the same.” You certainly have shown consideration to Commissioner Parker, by allowing him to be represented by counsel, by giving him ample time to prepare his case, by summoning at his instance interested witnesses, and by listening patiently to their testimony.

To avoid repetition, I will condense my “statement of

misconduct in the Indian Office," that you forwarded to Commissioner Parker more than a month since :

First, by uniting charges 1, 2, 5 and 8.

Second, " charges 3 and 4.

Third, " charges 6 and 11.

Fourth, charge 9.

Fifth, charge 12.

Sixth, charges 7 and 10.

I am prepared to furnish proofs of the 13th charge; but it was deemed best to defer it, that the committee might report at this session of Congress.

FIRST. The law of March 2, 1861, section 10, contains this clause: "No contract or purchase shall hereafter be made, unless the same be authorized by law or be under an appropriation adequate to its fulfilment, except in the War and Navy Departments, for clothing, subsistence, forage, fuel, quarters, or transportation, which, however, shall not exceed the necessities of the current year." It appears from the evidence that the Commissioner of Indian Affairs did, in violation of this law, purchase, on the 17th of June, 1870, beef, flour, bacon, coffee, sugar, tobacco, soap, and salt, for which he paid the sum of \$395,248 37. Although the War and Navy Departments are authorized to purchase supplies for public exigencies requiring an immediate delivery of the article, yet the other Departments are expressly prohibited from making contracts or purchases unless authorized by law. The importance of this prohibition is most apparent, for if the under officers in the several Governmental Departments, or if the Heads of those Departments themselves were warranted in determining what are exigencies and meeting them by large contracts at extravagant rates by reason of anticipating an appropriation, the finances of the Government would soon be hopelessly embarrassed.

Another restrictive clause will be found in the law of March 2, 1861, section 10, as follows :

"And be it further enacted, That all purchases and contracts for supplies or services in any of the Departments of the Government, except for personal services, when the public exigencies do not require the immediate delivery of the article or articles, or performance of the service, shall be made by advertising a sufficient time previously for proposals respecting the same. When immediate delivery or performance is required by the public exigency, the articles or service required may be procured by open purchase or contract at the places, and in the manner in which such articles are usually bought and sold or such services engaged between individuals."

It appears from the evidence that in the region of the Missouri river alone one million forty-two thousand eight hundred and forty-six dollars and sixty-five cents were expended by the Commissioner of Indian Affairs for supplies and services under very private contracts, without advertising previously for proposals respecting the same. It seems hardly necessary to consider whether there was any exigency requiring immediate delivery of articles before July 15, 1870, when the appropriation bill became a law, as the Interior Department is expressly prohibited from meeting such an exigency, and this is well known at the Department, as is shown by the following extract from the testimony of ex-Secretary Cox, and by an extract from a letter from Secretary Delano :

"In emergencies where there was danger of an outbreak, or where there was danger of starvation, I should regard it as within the power of the President to do what might be necessary to avoid an occurrence of that kind. As for instance I remember a case in which the — Indians were supplied for a considerable period by the army directly on the President's order, for the purpose of preventing desti-

tution and starvation among them, where there was no other provision. And there has always been, as I have understood the action of the Indian Bureau, more or less of that kind of provision against temporary emergencies." * * * "I simply want to say that a discretion of that kind had to be used occasionally, and I think it is within the discretionary power of the President at a time like that to save what he considers a calamity."

Secretary Delano, in his letter of January 25th, printed in the *Congressional Globe* of the 27th, says:

"An arrangement has been made with the Secretary of War to advance from subsistence stores immediate relief for Red Cloud and his confederates. This is done because the appropriation cannot be obtained in time to meet the urgent demand for assistance for these Indians; but the appropriation will enable us to reimburse the War Department and continue such assistance as may be necessary to preserve our present friendly relations with Red Cloud."

If in the case under consideration the Commissioner of Indian Affairs had applied to the President, he would undoubtedly have ordered the War Department to continue their supplies to these Indians, until they could be fed from appropriations made by Congress. These Indians had been fed by the Commissary Department for the year ending June 30th, 1870, and all that Department needed was authority from the President to continue to feed them as hitherto. On the 27th of May, 1870, the Commissary General, by letter, advised the Commissioner of Indian Affairs that there would be surplus supplies of provisions beyond what was necessary to feed the Indians to June 30th, and asked the Commissioner to instruct the Indian agents to receive such supplies as were contracted for. On June 1st Commissioner Parker issued the necessary order, but from his testimony it appears that he took no pains to ascertain the surplus stock that was likely to be furnished the agents under his instructions of June 1st:

"Question. What means before the 17th of June did you take to ascertain the amount of surplus supplies which would be turned over to agents?

"Answer. I took none in particular that I am aware of. That letter of the Commissary General, which is printed, was the first intimation I had that there would be a surplus of stores."

As the Indian agents had been receiving their supplies from week to week from the Commissary Department, they were naturally and very properly urgent that adequate supplies should be placed within reach. On the 22d of June Captain Poole, the agent at Whetstone, learned at Sioux City that the Commissary Department had a surplus of 1,300 oxen which they desired to hand over to the Indian Department. He therefore telegraphed the Commissioner of Indian Affairs that he had a supply sufficient for three months at the Whetstone agency. This fact should have been ascertained at Washington long before, and directions given to have the surplus cattle distributed among the various agencies, which the contractor was bound to do under the existing obligation. This supply, with the stock on hand at the various agencies, would have sufficed until near the close of August, when supplies could have been ready if the usual means had been taken, as is indicated in the following extract from the testimony of Ex-Secretary Cox :

"The Indian Bureau has always been in the habit of making purchases, as I have understood it, when it was understood that the appropriation bill was prepared by the committee. They have made, if not direct contracts, they have made conditional contracts at different times, with the understanding that if the appropriation bill passed they could then call upon parties to act, in order to get them out speedily. That I remember having brought to my attention as having been the long-time practice among

them, from the fact that when we began in March, 1869, there were arrangements already made for goods being purchased. I interfered and stopped some of these; I cancelled contracts, and there was some trouble about it at the time, but it was then shown to me, and I think has been indisputably the fact that, in order to meet the times of transportation on the river and to get goods out in time, there has been embarrassment constantly growing out of the fact of the lateness of the time of passing appropriations, and it has become the custom to make that kind of provisional arrangement that if the bill passed they would be required to furnish certain supplies; and if not, they would not."

As this so-called exigency had been known for a twelve month, and as the absence of provisions is more alarming than a delay in providing new clothing, it is wholly unaccountable that an advertisement for bids was not made in the month of May, that the Texas cattle dealers might have been allowed to compete, and thus to have reduced the cost of cattle by saving the profits of the intermediate contractor. It is in evidence that the cattle to supply the first Bosler contract were purchased at Abilene, (in Nebraska,) a large market resorted to by cattle-drovers from Texas, and from which oxen can be driven in twenty days to the Yankton or Whetstone agencies. The contract of June 17 shows that there was no public exigency requiring the immediate delivery of any large number of cattle, as the contractor was only bound to deliver one-third in July and the remainder in August and September. The contract of August 10 is wholly unaccountable, and Commissioner Parker, on the 13th of July, wrote to Governor Burbank, the Superintendent of Indian Affairs in Dakota Territory, thus: "He (Captain Poole) should advise the Indians belonging to the Whetstone agency of the fact that all these cattle are intended for them, that they must last them six

months at the least, and that care should be taken to prevent any of them from being lost or uselessly killed." Twenty-seven days after writing this letter, Commissioner Parker duplicates the contract of June 17 for beef at the same exorbitant price that he felt justified in paying before the appropriation bill passed; and he actually allowed this favored contractor to deliver some of the cattle as late as the 14th of November, a month after the cattle bought at \$3 88 for delivery as needed, were due at all the reservations. The loss to the Government and the injury to the cause of Indian civilization by reason of the neglect to advertise for proposals will hereafter be shown. But before passing from this subject it may be well to refer to other violations of the law. In the case of a public exigency requiring immediate delivery of the article, the law says it "may be procured by open purchase or contract," whilst in this case lower bids were rejected, and assurances given that no purchases would be made until after the appropriation bill had become a law, when, at the same time, the Commissioner of Indian Affairs was privately negotiating with J. W. Bosler, as is shown by a certificate of the clerk of the Returns Office, certified to by the Secretary of the Interior, and hereto appended. The following law throws additional light upon those transactions with J. W. Bosler, for it appears, from another certificate, certified to by the Secretary of the Interior, and hereto appended, that the contract of June 17 with J. W. Bosler was not filed in the Returns Office until the 15th of July, and that the contract of August 10, for beef and flour, has not yet been filed in that office.

Payments to J. W. Bosler under contract of	
June 17.....	\$395,248 37
Payments to J. W. Bosler under contract of	
August 10.....	361,464 19
Total.....	<hr/> \$756,712 56

JUNE 2, 1862. CHAP. 93.—AN ACT to prevent and punish fraud on the part of officers intrusted with making of contracts for the Government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be the duty of the Secretary of War, of the Secretary of the Navy, and of the Secretary of the Interior, immediately after the passage of this act, to cause and require every contract made by them, severally, on behalf of the Government, or by their officers under them appointed to make such contracts, to be reduced to writing and signed by the contracting parties with their names at the end thereof, a copy of which shall be filed by the officer making and signing the said contract in the "Returns Office" of the Department of the Interior (hereafter established for that purpose) as soon after the contract is made as possible and within 30 days, together with all bids, offers, or proposals for the same; all the said copies and papers in relation to each contract to be attached together by a ribbon and seal, numbered in regular order numerically, according to the number of papers comprising the whole return.

SEC. 2. *And be it further enacted, That it shall be the further duty of the said officer, before making his return, according to the first section of this act, to affix to the same his affidavit in the following form, sworn to before some magistrate having authority to administer oaths: "I do solemnly swear (or affirm) that the copy of contract hereto annexed is an exact copy of a contract made by me personally with ———; that I made the same fairly, without any benefit or advantage to myself, or allowing any such benefit or advantage corruptly to the said ———, or any other person; and that the papers accompanying include all those relating to the said contract, as required by the statute in such case made and provided." And any officer convicted of falsely and corruptly swearing to such affidavit*

shall be subject to all the pains and penalties now by law inflicted for wilful and corrupt perjury.

SEC. 3. *And be it further enacted*, That any officer making contracts as aforesaid, and failing or neglecting to make returns of the same according to the provisions of this act, unless from unavoidable accident, and not within his control, shall be deemed, in every case of such failure or neglect, to be guilty of a misdemeanor, and, on conviction thereof, shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, and be imprisoned for not more than 6 months, at the discretion of the court trying the same.

U. S. Statutes at Large, 12, 1859-63.

It further appears from the following testimony that a written offer of June the 9th, 1870, from a thoroughly responsible contractor, who was at that time supplying the Winnebago agency with beef, was on file in the Indian office. This offer, dated two days before the proposal of Bosler, and upon which his contract was based, was never sent to the Returns Office, although it is ordered that "all bids, offers, or proposals" should be sent there:

WASHINGTON, D. C., *February 8, 1871.*

Thomas E. McGraw sworn and examined.

By Mr. Chipman:

Question. How and where are you employed?

Answer. I reside in Washington city; I am a first-class clerk in the Indian Bureau.

Q. Do you remember the original letter signed by John Finn, dated June 9, 1870, offering to furnish beef to the Indian Bureau?

A. Yes, sir.

Q. Examine the letter now shown you, and see if it is the original letter.

A. Yes, sir; that is the letter.

Q. Was it signed by John Finn in your presence?

A. It was written by me at his dictation, and signed by him in my presence.

Q. The letter now shown you is the original letter, and was taken from the files of the Indian Department?

A. Yes, sir, and was written in the Department.

The letter was read as follows:

“WASHINGTON CITY, D. C., *June 9, 1870.*

“SIR: I have the honor to state that I have a large number of American and Indian cattle, left over from my late contract at the Winnebago Indian agency, which I propose to sell to the Indian Department for the use of the Sioux Indians at the Whetstone agency, at the following prices, viz: American cattle, from 4 to 7 years old, at $6\frac{1}{4}$ cents per pound, gross weight; Texas or Indian cattle at $4\frac{1}{4}$ cents per pound, gross weight; said cattle to be delivered at Whetstone agency or reservation, as may be required, until the next contract is awarded.

“I am, sir, very respectfully,

“Your obedient servant,

“JOHN FINN.

“HON. E. S. PARKER,

“*Commissioner of Indian Affairs.*”

It further appears that the contract for transportation, amounting to \$179,247.55, entered into on the 26th day of September, 1870, was not sent to the Returns Office until the 16th day of December, 1870. The contract with J. W. Bosler for bacon, in September, 1870, was sent to the Returns Office on the third day of February, 1871.

SECOND. The following letter from the member of the Committee on Appropriations of the House of Representatives who was charged with the care of the Indian appropriation bill, shows the design of Congress in introducing section 3 into that bill :

“ COMMITTEE ON APPROPRIATIONS,
“ HOUSE OF REPRESENTATIVES,

“ *July 20, 1870.*

“ DEAR SIR: In answer to your note asking my interpretation of the following provision of the new Indian appropriation bill, viz: ‘ It shall be the duty of said commissioners to supervise all expenditures of money appropriated for the benefit of the Indians in the United States, and to inspect all goods purchased for said Indians, in connection with the Commissioner of Indian Affairs, whose duty it shall be to consult said commissioners in making purchases of said goods,’ I reply that it seems to me its meaning is on the surface. Congress desires that your commission shall oversee and advise in all contracts for or purchases of Indian goods; shall see that the articles bought are suitable, and the prices reasonable; that the kind and amount of goods contracted for are delivered; that annuities are properly paid; that presents are justly and judiciously given; in short, that you shall ‘supervise all expenditures of money appropriated for the Indians.’ This is expressly made your duty by the statute, and your board must fulfil it, or resign. It makes it the duty, also, of the Indian Commissioner to consult your board in all purchases for the Indians. You do not expend the money, for that is the duty of the Commissioner. But you have a right to know of and advise in all expenditures, all receipts for goods, &c. In case of a difference of opinion between yourself and the officer charged with the disbursement, you can only advise and report to the Secretary the facts which induce

your dissent. I do not think, however, in view of the earnest desire of the Secretary and the Commissioner of Indian Affairs for an honest and efficient administration of Indian affairs, that your board will have any difficulty in complying with the requirements of the provision in question.

“Respectfully,

“A. A. SARGENT.

“VINCENT COLYER, Esq.,

“*Secretary Board of Indian Commission.*”

Mr. Brunot, the President of the Board of Indian Commissioners, in his testimony gives the following answers to questions put by the counsel of Commissioner Parker :

“Question. Was the question ever discussed among you whether the term ‘goods’ embraced everything for which there was to be an expenditure?

“Answer. Yes, sir, I believe it was.

“Question. But did you discuss the meaning of the word ‘goods,’ as used in the law?

“Answer. Yes, I think it probable that we did at the first meeting of the board or at its organization.

“Question. What was your determination at that time?

“Answer. We came to the conclusion that it was intended to cover all the expenditures of the Indian Department.

“Question. For whatever purpose?

“Answer. Yes. It was not for me or for our board to stand over the Commissioner of Indian Affairs, watching his movements and demanding of him to come to us for the purpose of consulting us.

“Question. The language used by the act of July 15, 1870, is that it shall be the duty of the commission to supervise all expenditures, &c. Did you take that to mean consistently with the duties which you owed to your private

positions, or did you receive that duty as a public officer would, to the exclusion of your other responsibilities?

"Answer. Not to the exclusion of all our other responsibilities. We had made very great sacrifices of our private affairs in order to perform this duty.

"Question. You did not feel yourselves acting under the obligation of an official oath; you were not paid?

"Answer. We were not paid.

"Question. Your services were voluntary?

"Answer. Yes, sir.

"Question. You recognized no pecuniary liability to the Government for your conduct?

"Answer. No, sir.

"Question. There were therefore none of the responsibilities connected with your office that are thrown around officers appointed by law?

"Answer. Much higher responsibilities."

It was admitted by the Commissioner of Indian Affairs and testified to by the President and Secretary of the Board of Indian Commissioners, that said board was not consulted in the purchase of provisions, that it was not called upon to inspect them, or to supervise the expenditures of money for transportation. The board was only called on for such duties as it had performed before the passage of the law of July 15, therefore no effect was given to that law by the Commissioner of Indian Affairs. The board, before the passage of the law, say June 3d, had advised the Commissioner of Indian Affairs of its readiness to act; three days after the passage of the law Commissioner Parker notified President Brunot that he would meet the Commissioners in New York on the 21st of July for consultation as to the best method of proceeding expeditiously in making the necessary Indian purchases. At that interview the importance of the new powers intended to have been conferred

on the board became manifest. Mr. Colyer, the Secretary of the board, testified as follows :

“ Q. Has the Indian commission in any way acted under that section of the law ?

“ A. Yes, sir.

“ Q. To what extent ?

“ A. In the matter of the purchase of annuity goods in New York on the 21st, 22d, and 23d of July.

“ Q. What class of goods were they ?

“ A. What is known as annuity goods—dry goods, clothing, hats, shoes, blankets, cloaks, &c.

“ Q. And did your board inspect all of these goods purchased since the passage of the last appropriation bill ?

“ A. We inspected the great bulk of what was advertised for, but there were other goods afterward purchased as presents and sent out to the Indian country which we did not inspect.

“ Q. Were you called upon to inspect them ?

“ A. Not that I know of.

“ Q. Do you keep the records of the board ?

“ A. Yes, sir.

“ Q. Would there have been a record of it if inspection had been made ?

“ A. I think there would be. I should have heard of it. The presents that were purchased were purchased some little time after the commission had made their great purchases in the latter part of August.

“ Q. Do you know how the prices and quality of the goods inspected compared with those bought without inspection ?

“ A. The contrast was very marked. The method of advertising, under our superintendence was changed from the old method. By the old method the proposals were worded that the bidding should conform to a specimen in the possession of the Department. Our committee on purchases conceived that that was a disadvantage to many of

the manufacturers; that it gave the manufacturer of that particular article of which there was a sample in the Indian Department an advantage over other manufacturers, because those that bid had to have goods conforming to that particular sample. The committee changed this and made it so that every merchant or manufacturer should bring in his own samples and his prices, and the committee could thus judge between the goods presented for their examination and between the prices, and they purchased those which they thought best and cheapest for the Indians. The committee not only changed the mode of advertising, but took special pains that the advertisements should be in the papers longer than usual, and should be generally circulated. They extended the time for the advertisements, and also took pains to see that the advertisements were cut out of papers and copies sent to the most prominent manufacturers and merchants. The committee also addressed circulars to the leading merchants and manufacturers.

“Q. What effect had that on the purchases?”

“A. It had the effect of making more men send in proposals. A better class of bidders were induced to compete; such men as A. T. Stewart, H. B. Claflin, and others. They sent in specimens, and informed us that it had not been their custom, heretofore, to compete for the contracts, as they had no probability of getting them, but that, as they saw there was likely to be fair dealing now, they were willing to take the trouble to send us specimens and prices.

“Q. What was the effect as to the quality and prices of the goods?”

“A. We purchased our goods at first hands. We bought our blankets from the manufacturer, Mr. Dobson, of Philadelphia; we also bought from H. B. Claflin & Co., and from the manufacturers, at first prices.

“Q. What was the result as to quality and prices?”

“A. The advantage was that we got much better goods at much lower prices.”

Had the design of the act of Congress of July 15th been fully carried out, so that the course pursued in the purchase of annuity goods had been applied to all expenditures of money under that act, there would have been a thorough reformation in the Indian Office. The following facts from the testimony in this case indicate the mode of conducting purchases when not under the observation of the Board of Commissioners:

Commissioner Parker says, when speaking of purchases made by him a few days after he had ceased to consult the commissioners, "I gave an order to Buckley, Welling & Co., a house in New York dealing largely in Indian goods, for the goods which I proposed to send out to the Osages."
* * * "Presents given to Indians who have been convened in council are generally intended for the chiefs and head men, and are intended to be of little better quality than those ordinarily supplied."

A sample of the blankets so purchased was shown to experts in the presence of the committee, and although eight dollars a pair was paid, yet the experts pronounced those blankets to be inferior in dye and texture, and worth from \$1.10 to \$1.15 less than the blankets purchased by the commissioners at \$7. It is in evidence that the blankets purchased by Commissioner Parker at \$8 were the same that had been rejected by the commissioners a few days before at \$6.80. It also seems that the commissioners broke up the old Indian rings and combinations by which the Government had been so long defrauded. Mr. Thomas J. Buckley, of Buckley, Welling & Co., testified as follows:

"Q. State whether you made any arrangements with the manufacturers of blankets to bid for them.

"A. We proposed an arrangement. I believe Mr. Dobson accepted it.

"Q. At whose instance did he back out; did you hear?

"A. I have not heard Mr. Dobson say so. I understood

it was Mr. Stuart who requested him to put in a bid for himself."

The reference is to Mr. George H. Stuart, the chairman of the Purchasing Committee of the Board of Indian Commissioners.

Commissioner Parker, in his letter to the Secretary of the Interior, dated January 12th, 1871, says: "respecting the allegation that the Board of Indian Commissioners were not consulted in the purchases made of beef and flour, I have only to say that the act authorizing such consultation and inspection passed on the 15th of July, 1870, while the contract complained of was made June 17th, 1870, nearly a month preceding the passage of the act."

On the 24th of January Commissioner Parker, being sworn, gave the following answers to queries put by his counsel:

"Q. Did the matter come up in your mind as to whether the term 'goods,' used in the appropriation act approved July 15, 1870, embraced the matter of supplies generally, and if so, what interpretation did you give to the statute?"

"A. I have never had but one impression until recently on this subject, which was that the term 'goods' generally used in the appropriation act did not embrace what we call subsistence or provisions.

"Q. Do not the laws distinguish between the two, and in this same appropriation act do not these two items appear separately?"

"A. They appear separately as a general thing, and I suppose there is where I got my impression.

"Q. Did you feel that it was your official duty to consult the Board of Commissioners in regard to this matter of provisions or subsistence, and did the question come up in your mind as to whether it was your duty to consult them?"

"A. I did not regard it as my duty to consult them.

"Q. Was that the reason you did not consult them?

"A. That was the only reason."

Commissioner Parker made the following replies to queries by Mr. Sargent, the chairman of the Committee of Investigation :

"Q. Do I understand you to say you think the words 'Indian goods' do not include flour, bacon, tobacco, coffee, and sugar?

"A. My impression is that, in a reading of the law, goods are made a separate item.

"Q. Where the law of 1869 provided that they should exercise joint control over the disbursements of appropriations made by that act, did not that, in your judgment, include expenditures for cattle, flour, tobacco, and coffee?

"A. Very likely it did, but the execution of that law absolutely, with such a construction, would be utterly impossible, for they would have to come to the Indian Office and supervise every disbursement made under the Indian bill.

"Q. Would it be impracticable in respect to the disbursement of large sums?

"A. No; but if you were to carry out that construction literally, it would be impracticable.

"Q. Could it not be carried out substantially where immense contracts were made, like these you have been speaking of this evening?

"A. Yes, sir.

"Q. By the act of 1869 it is provided that \$25,000, or as much as may be necessary, is appropriated for the transportation, subsistence, and clerk-hire of said commissioners while engaged in that service; is your construction that that amount was provided for transportation and subsistence in buying a few dry goods in New York or elsewhere?

"A. No, sir."

Commissioner Parker estimates that the dry goods supervised by the commissioners cost from \$350,000 to \$400,000, whilst it is in evidence that in the region of the Missouri river \$1,138,511.09 were expended without the supervision of the commission, and contracts are pending for \$280,000 yet to be paid.

It is in evidence that on August 6, 1870, Durfee & Peck were paid \$53,494 37 for supplies to Indians at Fort Berthold on the Missouri river, a point to which freight was carried at two cents a pound until the end of August, under the advertised contract.

As this voucher was not the subject of discussion before the committee, it may be that there was some exigency like that of June 17, where the contractor felt justified in charging extravagant prices owing to the uncertainty of being paid. It would have been a satisfaction to tax payers if that voucher had been supervised by Messrs. Stuart, Campbell, Dodge & Farwell, the committee of the Indian Commission that is charged with that duty. Three point blankets, at \$17 50 a pair, sugar at 30 cents a pound, bacon at 40 cents, corn-meal at 22 cents, and flour at \$20 a sack, *seem rather high*. Tax-payers are very patient people, and Congress has manifested much forbearance with the Indian Office, but the time of reformation is approaching. Congress requested the President to give the board of unpaid commissioners of his own selection, joint control with the Secretary of the Interior, over Indian appropriations. No such controlling power was given, and at its next session Congress directed the Commissioner of Indian Affairs to call upon the board of unpaid commissioners to supervise all expenditures; their mandate was not heeded. Now, by the action of the House, if concurred in by the Senate, payment cannot be made until vouchers are examined and approved by the Board of Commissioners.

Surely the tax-payers will not be satisfied by anything short of this.

Third. Exorbitant prices paid for provisions and the consequent waste of the public money. In ascertaining the market value of supplies for the Indian Department, there is no authority for being guided by the testimony of dealers when there were existing contracts made in conformity with legal requirements. It is in evidence that the Commissary Department was paying \$4.20 per 100 pounds for cattle, to be delivered weekly to all those Indian reservations, at the expense and risk of the contractor. It is also in evidence that two cents per pound is a fair difference between contracts for the delivery of the whole herd immediately on its arrival, and compelling the contractor to keep the cattle at his own expense and risk, delivering them from time to time as needed. The bids for cattle opened September 12, give a market value somewhat unfair for the Government. Instead of being advertised for thirty days to elicit bids from first hands, intermediate dealers alone could make offers, as the advertisement was to be inserted for only nine days in Washington, and three to five days in the western cities. The time was, however, extended for a week by order of the Secretary of the Interior. There were seventeen bids for 7,140,000 pounds of cattle to be delivered monthly for nine months—the first delivery to be made from the first to the 15th of October. One bid was at $3\frac{3}{4}$ cents per pound, one at \$3.88 and one at \$3.90; one at \$3.90 to \$4.13; one at \$3.93 to \$4.37; one at \$4.20, &c. As the bid at $3\frac{3}{4}$ cents was by a good man with good security, it affords legal testimony of the market value of cattle to be delivered on the reservations up the Missouri monthly as required. There is a striking correspondence between this price and two other existing contracts with the Indian Department, say Dr. Burleigh's for

deliveries weekly at the Santee Sioux reservation at \$7.22 net, or \$3.61 on the hoof, and John Finn's contract for the delivery of beef to the Wfnnabago Indians, near the Missouri river, at \$6.90 net, or \$3.45 on the hoof. An allowance of one cent a pound for the care and risk of keeping cattle being only half the rate testified to, brings the bid of $3\frac{3}{4}$ down to $2\frac{3}{4}$, the precise rate that Captain Poole saw in the contract for cattle delivered at the Whetstone reservation. There is a somewhat striking contrast between this price and $6\frac{1}{2}$ cents for immediate delivery, as per contracts of Commissioner Parker dated June 17 and August 10, the deliveries on which were made from the end of July to the 14th of November.

The existing contract for flour delivered on the Santee reservation was at \$3.35 per sack delivered monthly. Three dollars and thirty cents was paid for delivery at the Ponca reservation, and \$2.15 per sack for delivery at Council Bluffs, on the Missouri river. The contract of Commissioner Parker with J. W. Bosler, of June 17th, was at \$6.50 per sack. For salt 8 cents per pound, when an existing contract with Finn was at 2 cents per pound. For sugar made from molasses 18 cents per pound; coffee 28 cents; tobacco 85 cents: bacon 25 cents, and soap 15 cents.

The profit to the contractor may be fairly estimated as follows:

7,911,837 pounds of beef delivered, profit estimated at $3\frac{3}{4}$ cents per pound.....	\$296,693
\$141,557 under July contract for flour, salt, &c.,	
40 per cent. profit.....	56,622
\$100,950 for flour under contract of August 10th,	
33 $\frac{1}{3}$ per cent. profit.....	33,650
Estimated profit on freight, as hereinafter stated	114,104
Estimated profit of J. W. Bosler and his associates, if he had any.....	<u>\$501,069</u>

It will be hardly necessary to estimate the profit made by Green & Wattles by furnishing groceries to the extent of \$81,481 in New York, August 26th; say, sugar made from molasses at $11\frac{1}{2}$ cents, coffee $21\frac{1}{2}$ cents, tobacco 65 cents. Private purchases were also made from others to the extent of \$25,000 and more.

As Commissioner Parker attempted to justify the extravagant prices indicated in the contract of June 17th by reason of a possible delay in making payment, the following extract from the contracts of Burleigh & Finn, already referred to, is significant: "All articles of subsistence furnished must be of good quality, and subject to inspection and rejection by the agent of the ———. The right is reserved to increase or diminish the amount of supplies, at the discretion of the Superintendent of Indian Affairs for ———, also to terminate the contract that may be entered into on giving the contractor six weeks' notice. Payment shall be made by the Superintendent of Indian Affairs at ———, when funds are placed in his hands for that purpose, but in the event of the Superintendent of Indian Affairs being without funds, then payment to be made as soon after as funds may be received for that purpose." Commissioner Parker testified as follows:

"Q. Who was the commissary contractor?"

"A. His name, I have learned, is Fenlon.

"Q. What price was the War Department paying that commissary contractor at that time?"

"A. 4.44.

"Q. To be delivered at the agencies?"

"A. Yes, sir.

"Q. Why did you pay $6\frac{1}{2}$ cents when these commissary contractors were furnishing it at these agencies at 4.44.

"A. No such offer was made to me. I got the impression from my daily intercourse with these people, that they did not want to supply any more at that rate; that they had

lost money under their arrangement with the Commissary Department, and I had the impression that they would not do it.

“ WASHINGTON, *January 27, 1871.*

“ Major B. DuBARRY sworn and examined.

“ To Mr. WELSH :

“ I am a commissary of subsistence of the United States army ; I am on duty in the office of the Commissary General of Subsistence, as one of the assistants to the Commissary General of Subsistence.

“ Question. State the price and number of cattle contracted for, to be delivered on the Missouri river, in the contract made June 18, 1869, which was to terminate on June 18, 1870.

“ Answer. I have here a copy of the contract made on the 18th of June, 1869. It was made with Edward Fenlon, at the rate of \$1.44 $\frac{3}{4}$ per hundred pounds live weight.

“ Q. Were the cattle to be kept at the contractor's risk and expense until needed, or were they to be delivered in bulk ?

“ A. Their delivery was to commence on the 31st of July, 1869, and to continue until the number provided for by the contract was delivered, at specified rates per month, the rate being different for the different points at which they were to be delivered. The contract runs that the ‘ beef cattle provided for at the respective places named are required to be held by the contractor sufficiently near thereto that he may with certainty, and at the rate and under the conditions above specified, deliver them weekly, semi-monthly, or monthly, as the officer or agent of subsistence of the Department may require.’ The whole number comprised in this contract of the 18th of June was 9,075.

“ Q. After the completion of that contract, was any other contract made ?

"A. On the 6th of July, 1869, a supplementary contract was made with Edward Fenlon. The supplementary contract was for the same rate as the other and for the same number of cattle; it only made a change in the points of delivery from the first contract.

"Q. Then it is only a repetition of the first contract, changing the place of delivery?

"A. Not exactly a repetition, because it does not repeat all that is in the first contract, but it refers to the first contract. Subsequently, a proposition was made by the contractor, Edward Fenlon, to furnish any additional number of cattle that might be required at the five points named in the supplementary contract, (three points only being named in the original one,) at \$4.20 per hundred pounds, gross weight, during the continuance of said contract—that is, up to June 30, 1870. That proposition was accepted by General Clark. The date of it was 21st of September, 1869. That was to extend up to 30th June, 1870, and was to embrace all the cattle delivered over and above the total of 9,075, provided for by the first contract.

"Q. Is there any limit as to the amount of cattle you could call for under the proposition of 21st September, 1869?

"A. I find no limit assigned in it. The contractor agrees to furnish all the cattle required, at \$4.20 per hundred pounds.

(The papers referred to by the witness are annexed to the testimony.)

"Q. If the Commissioner of Indian Affairs had called on you for cattle before the 30th of June, 1870, could you have furnished him with cattle under that contract?

"A. Yes, at those points. All what the contractor furnished in excess of 9,075 was to be furnished at \$4.20 per hundred pounds gross.

"Q. Did the Commissioner of Indian Affairs send to

your office to ascertain what supplies would remain over on the 30th June, 1870, or what supplies it would be possible for you to give him?

"A. I do not recollect of it.

"Q. Have you charge of the office here?

"A. I have not charge of the office, but, as assistant to the Commissary General, I see pretty much everything that comes in. My province at that time was to see everything that came into the office. The papers pass through my hands, and I open and hand them to the chief, or distribute them, according to their nature."

General Cox, the then Secretary of the Interior, seemed to have been impressed with the belief that some legal arrangement had been made with the commissary contractor for temporary supplies, if they should be needed, and in his testimony he distinctly disavows having given authority to make the Bosler contract or any other contract without the warrant of law. Any one familiar with the routine of the Interior Department knows full well that pro forma letters, like that from Secretary Cox, requesting military escorts, are signed on the representation of clerks without perusal. That letter, and the others relating thereto, were as you know, placed in evidence after the testimony had closed. Instead of its being available to contradict the testimony of Secretary Cox, it shows a special consideration for this favored contractor, who alone, so far as it appears from the testimony, was allowed a military escort. Little consideration need be given to J. W. Bosler's apprehension of loss by the contract of \$3.88, in which he is half interested, as he testified that he did not know the cost of the cattle being delivered under that contract.

Fourth (No. 9 in statement.) On the 11th day of July, 1870, L. H. Roberts, M. D., Acting Indian Agent for the Cheyenne agency, receipted to J. W. Bosler for flour, bacon, sugar, coffee, tobacco, salt, and soap, giving the

weights indicated in the bill of said Bosler. On the 29th of July he also receipted for 270,000 pounds net of good merchantable beef for Cheyenne Indian agency, equal to 540,000 pounds on the hoof. He testified that there were 450 oxen which he averaged at 1,200 pounds each, as is alleged, at the instance of an officer who rode through the herd. Roberts said, "I told him I was not competent to judge." Roberts was asked, "Did you ever send the certificate of Captain Irvine or any other officer on that subject?"

"A. No, sir.

"Q. Have you any such certificate in your possession?"

"A. No, sir.

"Q. You say you were not accustomed to estimating the weight of cattle; do you recollect the form of the receipt which you gave for these cattle?"

"A. I do not. I committed an error in not retaining a copy of the receipt.

"Q. Did you know the weight of these cattle at any other agency?"

"A. I did not."

The other testimony of Dr. Roberts is self-condemnatory, and no evidence of any kind was produced by him or by Commissioner Parker to verify these exceedingly loose vouchers. Dr. Roberts says that cattle were killed every Saturday. Therefore, if the large cattle-scales were out of order, as is alleged, he could have weighed quarters of beef on the scales that were used in weighing sugar, bacon, &c. Prairie fires are very unusual in July, and as nutritious grass superabounds in that region it is hardly likely that the herders would stint cattle. On the 20th day of August, Captain George M. Randall, an army officer of high standing, and the Indian agent at Cheyenne agency, notified Commissioner Parker that he had weighed a sufficient num-

ber of the cattle to ascertain that they averaged 934 pounds each, gross weight. The weight of the soap (as ascertained by weighing) corresponded with the bill, but the weight of all the other articles was short—say, tobacco 30 pounds, salt 120 pounds, coffee 1,155 pounds, bacon 1,770 pounds, sugar 1,405 pounds, and flour 3,120 pounds. This deficiency is ascertained by comparing the weights paid for, with Captain Randall's certificate. He said in his letter of August 20th: "I shall take up the subsistence at the weights according to the inventory taken. No invoices were received from the contractor, and therefore I am unable to ascertain what amounts were received and receipted for. All the papers I have to show are the steamboat's bills of lading, which will not answer my purpose. If the memorandum receipts given by Dr. Lorenzo H. Roberts have not been paid, I must respectfully request that they be withheld and I be directed to furnish correct vouchers." An intelligent agent of high standing notifies the Commissioner of Indian Affairs that he will not allow his account to be charged with erroneous or fraudulent memorandum receipts given during his absence, as is known, on official duty. The Indian Department certifies this erroneous or fraudulent voucher for payment, and then does not notify the Second Auditor of the fraud or error, that it may be corrected before the next payment is made. The following question was asked Commissioner Parker: "Was the Second Auditor ever notified of the receipt of a communication from Agent Randall of August 20, 1870?"

"A. Not by me."

The excess in the payment over the proper voucher given by the accredited agent amounts to \$2,473.20. It is more than probable that the same mode of obtaining vouchers was practiced elsewhere, possibly through error, as there were no invoices, and bills of lading give the gross

weight, including packages. It further appears that the following excess of weight has been paid for beyond the quantity indicated in the contract:

Flour, 59,200 pounds; coffee, 3,700 pounds; tobacco, 1,843 pounds; sugar, 8,997 pounds; salt, 150 pounds; soap, 1,500 pounds; beef on the June 17th contract, 392,934 pounds; beef on the August 10th contract, 1,007,903 pounds.

It also appears that at the Whetstone agency, when the cattle were all weighed, one drove averaged 975 pounds, another 1,017 pounds. At Crow Creek one drove averaged 976 pounds, and at Cheyenne, when Captain Randall was present, 1,025 pounds. The average weight at other agencies cannot be ascertained, as, like Dr. Roberts' receipt, the number of cattle is not mentioned, therefore it is possible that some of the vouchers may resemble it in other particulars.

Fifth, (No. 12 in statement.) The law of March 2d, 1861, chap. 84, sec. 10, disallows contracts for services in any of the departments of the Government, except for personal services, when the public exigencies do not require the immediate performance of the service, without previously advertising a sufficient time for proposals respecting the same. As this legal requirement was fulfilled by the Quartermaster General, and as he, by public advertisement and by specific contract, included all the Indian goods, all other testimony in regard to freight is irrelevant. Indian goods were sent up the river under these contracts prior to June 30th, and the Indian Office ought to have availed of them thereafter, instead of making a private contract (September 26th) in violation of one law, and keeping it back from the Returns Office until December 16th, in violation of another law. It appears from the evidence that this private contract was arranged in New York in August last, between

Charles D. Woolworth, secretary of the Northwest Transportation Company, and General Parker, the Commissioner of Indian Affairs. Woolworth testified that the company for which he was negotiating had contracted in the name of Hiram K. Hazlett, their clerk, with the Quartermaster General for the transportation of Indian goods from Chicago, via Sioux City, to all the points up the Missouri river. He also knew that George K. Hazlett had contracted with the Quartermaster General for the transportation of Indian goods from St. Louis, Sioux City, and intermediate points up the Missouri river, and that the Northwestern Transportation Company had become a party to the latter contract by agreeing to carry the quartermaster's stores and Indian freight at fifteen per cent. less than the contract price. Charles D. Woolworth testified as follows :

"Q. Had you any talk with General Parker ever about carrying Indian goods under those contracts?

"A. No, sir.

"Q. When you made a bargain with him for specific work, did you notify him that there was already a contract for carrying Indian goods?

"A. No, sir.

"Q. Are you not aware that Indian goods could have been shipped on either of those contracts?

"A. Any Indian goods delivered to us at Chicago, I suppose, we should have been obliged to carry under that contract.

"Q. Then what is your understanding of these contracts as to time? When Indian goods are delivered to you on the 1st day of September at Chicago, you date it from their receipt at Chicago; and when delivered to you on the 1st day of September at Sioux City, you date it at Sioux City?

"A. Yes, sir.

"Q. Then the date is from the time these goods are delivered to you as being ready for shipment?

"A. Yes, sir. But they have got to give us ten days notice. They cannot come to us with goods without notice.

"Q But that ten days' notice could have been given ten days before the time of receiving the goods?

"A. Yes, sir."

It thus appears that under existing contracts all Indian goods delivered to the Transportation Company in Chicago or Sioux City before the 31st day of August, could have been carried at the minimum rates—say from Chicago at an average of \$1.88, which sum, less 65 cents a hundred, the railroad freight from Chicago to Sioux City, gives an average of \$1.23 from Sioux City to all the agencies from Yankton to Berthold. The average freight on the other contract from Sioux City to the several agencies is \$1.33 per 100 pounds during August, and \$2.60 during September. The freight under the Chicago contract from the 1st of September to the 31st of October, less the railroad charges, is equal to \$3.11 from Sioux City to all the agencies. The private contract made by Commissioner Parker at New York in August averages from Sioux City to all the reservations \$4.80½, but practically it equals nearly \$5.20, as \$179,247.55 were paid for the transportation of 3,281,498 pounds of freight. Of this sum \$1,218.82 was paid on goods sent to Berthold in April, when the freight under the contract of the quartermaster, that extended to Indian goods, was 2 cents a pound, whilst the Government paid 7½ cents a pound by including it in the private contract of September 26th. As it appeared by the books of the Second Auditor that the entire freight of \$179,247.55 was paid to C. D. Woolworth, secretary, in care of J. W. Bosler, the drafts were examined in the United States Treasurer's office. They appear to have been endorsed by C. D. Woolworth, secretary, to the order of J. W. Bosler, and by him endorsed to the order of Jay Cooke & Co., N. York. From the evidence of J. W. Bosler, it appears that he

wrote the name of C. D. Woolworth, Secretary, on the back of each of the notes, and it does not appear that he gave any intimation to the Treasury Department that he wrote Woolworth's name. He alleges, however, that he had a letter of authority, but he did not exhibit it, although C. D. Woolworth testified that he had given that authority. This strange transaction made it important that J. W. Bosler's account with Jay Cooke & Co., New York, should be investigated by the committee. It is in evidence and from that account it appears, that the \$179,247.55 were placed to the credit of J. W. Bosler, whilst the drafts in favor of the President and Secretary of the Northwestern Transportation Company amount to \$65,143.75, or two cents a pound on the freight shipped up the Missouri river, being about the average freight under the advertised contract—say to the 30th of September, from Sioux City, and the 31st of October, from Chicago. Commissioner Parker in his letter of January 12, to the Secretary of the Interior, which is in evidence says:

“Respecting the transportation, to which reference is also made as being high, and, therefore, conclusive of fraud, I reply that nearly all the Indian freight, consisting of annuity goods and some other supplies, reach Sioux City in October, at a time when navigation on the Upper Missouri had nearly ceased on account of low water, and the near approach of cold weather, and I made the very best terms I could with the most responsible parties running boats on the upper river to insure the certain delivery of the Indian freight. The prices paid, in my judgment, were reasonable, and will compare favorably with what has been paid in former years, and that paid by the army for the Fall months of the present year. It must be borne in mind that the season was late; all Indian freight was bound to be taken up to their respective destinations, or endless trouble would be the result of failure, and water transportation was cheaper than by land, though both were high.”

It appears, however, that most of the annuity goods, and groceries, and a large quantity of flour, had actually been shipped before September 26, the date of the contract, and that J. W. Bosler was bound to deliver the bacon on or before the 20th of September. It should have been delivered at Sioux City in time to ship it at the average freight of \$2.60 per hundred pounds. Flour ordered August 10, should have been delivered during that month at Chicago, Sioux City, Council Bluffs, Omaha, and other points down to St. Louis, as the freight under the contract from Sioux City advanced more than 1½ cents per pound in the next month.

Sixth. (Nos 7 and 10 in statement.) It seems necessary, in conclusion, not only to consider the subjects embraced in Nos. 7 and 10, of the statement of misconduct in the Indian Office, but also to refer briefly to facts of a like nature that are in evidence.

WASHINGTON, D. C., *February 3, 1871.*

JOHN FINN sworn and examined.

By Mr. SARGENT:

"Question. State your residence and occupation?

Answer. I reside in St. Louis; I am at present engaged in pork-packing; I am also a cattle-broker.

"Q. Do you know General Parker, Commissioner of Indian Affairs?

"A. I do.

"Q. Did you in June last have any conversation with General Parker in his office, with reference to putting in a bid to furnish cattle for Indian purposes?

"A. I did.

"Q. About what time was that conversation?

"A. It was frequent in May, June and July.

"Q. You spoke to him frequently about it in May, June, and July?

"A. Yes, sir; I do not know the dates.

"Q. Did you make any proposition to him to furnish beef for these purposes?

"A. I did.

"Q. Did you have any conversations on that subject about the time of the letting of the Bosler contract in June?

"A. I did.

"Q. How near to the time of the letting of that contract?

"A. The same day; I think the day before, and the very day.

"Q. What did you propose to furnish him with beef for?

"A. I offered him Texas cattle at $4\frac{1}{2}$ cents a pound, and American cattle at 6 or $6\frac{1}{2}$ cents a pound, gross; I cannot say which.

"Q. Did you make any further offer to him in that connection?

"A. I did; I told him I had cattle at the Winnebago agency, and that if he did not consider them worth $4\frac{1}{2}$ cents a pound, I would take less for them; that I wanted to sell them.

"Q. Had you a contract at that time to furnish cattle to any of the agencies; and if so, for how much and to what tribes?

"A. I supplied the Winnebago agency for seven cents net, or three-and-a-half gross.

"Q. Did you have cattle enough on hand to take a large contract on the Missouri river?

"A. No; I could not fill a large contract with the cattle I had on hand, but I could fill any contract; I could get the cattle.

Q. What reply did Commissioner Parker make to this proposition to furnish cattle at those rates?

"A. He told me he had not any money appropriated by the Government to buy cattle; that if I would give him

all the cattle I ever owned at half these rates, he could not take them, because he had no money appropriated for the purpose; that he could not let a contract.

"Q. Was anything said about the condition of the Indians or the necessity of furnishing beef to them?

"A. Yes; I told him I had heard from the agent at Whetstone and from other reservations that the Indians were in great need of stock, and asked him if he was not going to buy them. He told me he would not do it. I asked him what he was going to do in regard to supplying these Indians. He said the Indians would protect themselves the same as they did previously; that they could take to the plains and subsist the best they could.

"Q. Did he refuse to accept your proposition?

"A. He did.

"Q. On what day was this particular conversation that you allude to with reference to the time of making the Bosler contract?

"A. I could not swear to that; I think it was the 16th or 17th of June.

"Q. With reference to the time of making the Bosler contract, was it on the day you heard the contract was made or the day before?

"A. It was the same day. I cannot swear positively to that. I know from other parties that he made a contract that day. I never saw the contract; I understood that it had been made.

"Q. How long after the contract was made did you hear of it?

"A. I heard within two or three hours, that same afternoon.

"Q. Did you have the facilities for executing such a contract, the herders, &c.?

"A. I did.

"Q. State to what extent you had such facilities at that time?

"A. I refer to General Sherman, General Allen, chief quartermaster, and General Meyers for that.

"Q. State what facilities you had in the way of herders, buildings, &c., for filling such a contract?

"A. I had the means and the money. I could fill any contract the Government could give me at that time.

"Q. Did you have men in your employ to do that business at that time?

"A. I had; I had horses and cattle at the agency, and I was able at that time to fill any contract the Government would give.

"Q. Was your contract for the Winnebagoes for a part of the year or the whole year?

"A. For the whole year—twelve months.

By Mr. CHIPMAN:

"Q. State whether you feel unfriendly or not towards General Parker?

"A. No, sir.

"Q. Have you never expressed any unfriendly feelings toward him?

"A. I did on one occasion last year. I thought he might as well have let me have the contract at four-and-a-half cents as Bosler at six-and-a-half. I thought I could fill a contract as well as Bosler. That is the only time I expressed anything in that way towards General Parker to my knowledge.

"WASHINGTON, D. C., *February 6, 1871.*

"JOHN T. BALDWIN sworn and examined.

"By Mr. SARGENT:

"Question. State your residence and occupation?

"Answer. I reside in Council Bluffs, Iowa. I am a kind of general trader in real estate, a miller, and other hings.

"Q. Do you deal in any kind of merchandise?

"A. No, sir.

"Q. Were you ever present at any conversation between Mr. Finn and the Commissioner of Indian Affairs, at the office of the latter in Washington city; and if so, when was it?

"A. I was present with Mr. Finn, I think, about the middle of June, 1870.

"Q. State what passed in that conversation between Mr. Finn and Mr. Parker in relation to a contract.

"A. I think Mr. Finn asked Mr. Parker if he should continue to furnish supplies to Indians after the 1st of July. Mr. Parker replied that he did not want him to continue. Mr. Finn asked him what he was going to do with the Indians, and how he would get provisions and supplies. Mr. Parker remarked that he could not make any arrangement for supplies until there was an appropriation by Congress; that the Indians would have to hunt, or to do as they had been doing before they were getting any supplies from the Government.

"Q. Was anything said by Mr. Finn with reference to a desire on his part to have another contract?

"A. I do not recollect anything.

"Q. What was your object in going there?

"A. I went in company with Mr. Finn, to see if Mr. Parker did not want some flour for the Indians.

"Q. Did you make any proposition to Mr. Parker with reference to it?

"A. I simply told Mr. Parker that I had been engaged in furnishing contractors with flour for quite a number of years, and that I would like to make a direct sale to him or to the Government, in place of selling to the contractors.

"Q. What was his reply to that?

"A. He remarked that he was not prepared to make

any contract at that time with me for flour, but that as soon as the appropriation bill passed he would advertise in the Chicago and Omaha papers, and would send me a copy of the advertisement. I asked him where the letting would take place. He said he did not know, but that it would take place here or at Sioux City.

“Q. How soon thereafter did you hear of the Bosler contract being let for beef and flour?

“A. I learned it through Mr. Finn some two or three days afterward; that was the first intimation that I had of it; I then saw Mr. Bosler about ten days afterward.

“Q. Did Mr. Bosler tell you that he had a contract?

“A. Yes, sir.

“Q. Was that before the passage of the appropriation bill which passed on 15th July?

“A. It was before that; it was in the latter part of June that I saw Mr. Bosler.

“Q. Did you receive any copy of an advertisement from Mr. Parker after the appropriation bill passed?

“A. No, sir, I did not.

By Mr. WELSH:

“Q. Did you name any price for the flour to Mr. Parker?

“A. No, sir.

“Q. At what rate were you prepared to furnish it then?

“A. I would have been willing to have contracted for flour at about \$2.50 a sack on the cars at Council Bluff.

“Q. Or at the same price on the steamboat?

“A. Yes.

“Q. What was the average price of flour at Council Bluffs in July, August, and September, 1870?

“A. It ranged at about \$2.25—from \$2.25 to \$2.50 per sack of ninety-eight pounds.

“Q. Is that a double or a single sack?

“A. A single sack.

"Q. Do you know Mr. Hoffmeyer, of Council Bluffs?

"A. Yes.

"Q. Do you know anything of a contract that he had with the Government to furnish flour at \$2.15?

"A. No, sir; I am a partner of Mr. Hoffmeyer; I was aware of a sale of flour made at the mill: the sale ranged at from \$2 to \$2.75, according to the quality of the flour; he sold some 1,250 sacks to Mr. Bosler; most of it was sold at \$2.75; that was in October.

"Q. Do you recollect a sale of flour at \$2.15 a sack, bought on October 27 and paid for on November 29?

"A. I recollect that."

The negotiation with Bosler referred to by Finn and Baldwin must have been going on at the time of their conversations with Commissioner Parker, as appears by a letter from J. W. Bosler, dated Carlisle, Pennsylvania, June 11th, a certified copy of which is hereto appended. That letter should not have been separated from the contract of June 17th, as it is appended to it in the Returns Office, and in fact forms part of the contract, being a description of the quality of the beef. The prices of every article correspond precisely with the contract, the beef being described as American cattle, at $6\frac{1}{2}$ cents per pound gross. The contract says "the beef is to be of good merchantable quality, and to be delivered on foot; one-third, or thereabouts, to be delivered on or about the 15th of July; one-third on or about August 1st, and the residue on or about the 1st of September, 1870."

It is somewhat significant that J. W. Bosler should have been released from his offer to furnish American cattle and allowed to substitute Texas cattle without any abatement in the price, although it is in evidence that there is a difference of 2 cents per pound in the market value in favor of American cattle. This contract was, in violation of law, kept in the Indian Office until July 15th, when the appro-

priation bill became a law. It is deceptive in its appearance, as the beef is stated at so many pounds net, whilst it is to be paid for per pound gross, therefore the contract is for double the weight indicated. On the next day, June 18th, the following instructions were sent from the Office of Indian Affairs :

"You will receive from Mr. Bosler the supplies to be furnished under said arrangement; and should the quantity vary from the amount herein given in each or any case, either more or less, you will receipt to him accordingly; that is, you will give proper receipts for the amount of each article delivered, at the time of the delivery. You will, also, make the necessary preparation to properly care for the supplies after they have been delivered.

"Very respectfully, your obedient servant,

"W. F. CADY,
"Acting Commissioner.

"Major J. M. GOODHUE,

"*Indian Agent, Yankton Agency, Dakota Territory.*

"Captain WILLIAM H. FRENCH,

"*Indian Agent, Crow Creek Agency, Dakota Territory.*

"Major G. M. RANDALL,

"*Indian Agent, Cheyenne Agency, Dakota Territory.'*"

From these instructions, and in one case from subsequent instructions of a like tenor, the agents were constrained to receive 75,420 pounds of flour, sugar, coffee, soap, tobacco, and salt, beyond the weight indicated in the contract; also 392,394 pounds of beef beyond the contract of June 17th, and more than a million pounds in excess of the contract of August 10th. The agents were also compelled to relieve the contractor from his obligation to keep one-third of the cattle until August and one-third till September at his own expense. They were thus obliged to hire herders at the expense of the Government, and to assume the risk

of stampeding and other casualties. Commissioner Parker testified on the 24th of January as follows :

“ Q. Did you send invoices or descriptions of the various kinds of goods, sugars, coffee, and other stores sent up to the various agencies, so as to enable them to examine as to weight, quality, &c.?

“ A. I did not send them personally. I gave instructions that it should be done.

“ Q. Do you know that they were sent ?

“ A. Not of my own knowledge.

“ Q. Can you produce evidence that they were ever sent ?

“ A. I presume I could bring from the office witnesses who would testify that they were put into the mails. It is a rule always to send copies of invoices to the consignee, and I am perfectly satisfied that they were sent ; but as I did not do it myself I cannot give it as a positive statement. I had returns from the agents sometimes stating that something was missing, showing that they had the invoices.”

On the 3d of February the following communication was made to the committee :

“ No invoices were sent from the office to agents of the supplies furnished under the June 17th contract by Mr. Bosler. The agents receipted to Mr. Bosler for what they received.

“ Very respectfully, your obedient servant,

“ E. S. PARKER, *Commissioner.*

“ Hon. A. A. SARGENT, *House of Representatives.*”

As there was no description of the quality of the goods or any account of the net weight, the agents were left at the mercy of the contractor, although the Commissioner of Indian Affairs says “ it is a rule always to send copies of invoices to the consignee.” The contract of August 10th is as follows:

“DEPARTMENT OF THE INTERIOR,
“OFFICE INDIAN AFFAIRS,
“August 10, 1870.

“SIR: It being exceedingly doubtful whether, under any advertisement for supplying the Sioux of Dakota with beef and flour, they can be furnished in proper season to prevent a deficiency, I have to request that you will at once supply 1,500,000 pounds, net, more of beef, to be distributed at the various agencies on the Missouri river, in such amounts as shall be hereafter designated to you. Said beef will be paid for at the same rates per pound as is provided in your contract with the Indian Bureau, dated June 17, 1870. This beef must all be on the hoof, and of as good quality as was furnished under your contract, and must all be delivered at the several agencies on the Missouri river on or before the 15th day of October, 1870.

“You will also be pleased to collect for the Indian Bureau, for the use of the Sioux Indians of Dakota, from 2,000,000 to 3,000,000 pounds of good extra wheat flour, to be delivered in Sioux City, at as low rates as possible, which rates should not exceed $3\frac{1}{2}$ cents per pound when delivered in Sioux City, ready for shipment by boat.

“Your accounts for beef will be settled in Washington, D. C., upon your presenting the receipts of the amounts received by the respective agents, who have this day been instructed to receive from you and receipt to you for the beef you may furnish under this order.

“The flour will be settled for in Washington, D. C., upon your presenting bills of lading from such transportation companies as may transport the same to the several agencies.

“Very respectfully, your obedient servant,

“E. S. PARKER, *Commissioner.*

“J. W. BOSLER, Esq., *Sioux City, Iowa.*”

The same plan of deceiving the eye by inserting half the number of pounds paid for was pursued as in the former contract, 703 of these oxen were forced upon Captain Poole at the Whetstone agency, although Commissioner Parker knew that he had a six months supply as appears by his letter of July 13, to Superintendent Burbank. Commissioner Parker allowed J. W. Bosler not only to deliver more than a million of pounds of cattle in excess of this contract, but also to delay the time of delivery beyond the period at which the cattle purchased at \$3.88 cents were due. The order for the purchase of flour seems to have been without limit as to price or time of delivery, and it is not claimed that there was any exigency requiring immediate delivery. With the range of markets indicated in the two contracts for the transportation of Indian goods, this quantity of flour could have been had at short notice. John T. Baldwin testified that he would have furnished it at \$2.50 a sack, and if bids had been solicited by advertisement in accordance with Commissioner Parker's promise to Mr. Baldwin, what is called Indian flour could have undoubtedly been procured at \$2.00. This grade of flour is made not from wheat, but by grinding the boltings from superfine flour.

The charge of $6\frac{1}{2}$ cents a pound freight on flour to Grand river and $7\frac{1}{2}$ to Berthold, instead of $1\frac{60}{100}$ and 2 cents was the contract price, is rather hard on the Government and on the cause of Indian civilization.

Although the Bosler contract was sent on the following day to the agents, requiring them to receive all that was brought to their reservations, yet it appears that the Morrow contract of September 17, was not sent until December 2d. This is significant as J. W. Bosler had acquired half interest in the contract, and Capt Poole testified that the drovers expected to deliver all the nine months supply at once to the agents, and that no provision for wintering

cattle had been made by the contractor. I could have testified still more strongly to that fact from personal observation as my presence alone checked the consummation of an immediate delivery. A brief reference to the history of this contract throws some additional light on this plan.

On the 27th day of August 1870, Commissioner Parker advertised in the Washington papers for bids to furnish seven million one hundred and forty thousand pounds gross weight of beef cattle on the hoof, and a large quantity of bacon. The cattle to be delivered at the various Indian agencies on the Missouri river, one-ninth to be delivered from the 1st to the 15th of October, and one-ninth monthly thereafter in such quantity as the respective agents shall require. The time of bidding was to cease on the fifth of September at noon, and the contract then to be awarded. This would have allowed but a few days for advertisements in the western cities and too short a time for bids with proper security, to have been received from any distant point. It appears that J. W. Bosler bid $6\frac{1}{2}$ cents for beef, and $18\frac{1}{4}$ cents for bacon, but it does not appear in what manner the contract was to be allotted to the various bidders, whether by averaging the bids for beef and bacon as has been quite customary, or by considering the beef and bacon as separate transactions. The former course seems the more likely, for although the bacon is deliverable at Chicago, and the beef at the Indian reservations, yet the bacon is also allotted to five agencies. From evidence, it appears that the Secretary of the Interior interfered by directing the proposals under the advertisement to be extended seven days, say to September 12th. By this extension of time, seventeen bids for beef were made, and it is in evidence that after the extension J. W. Bosler united with J. A. Morrow, of Omaha, in his bid of $3\frac{99}{100}$ per pound. It also appears in evidence, that J. McCormick of Omaha is a partner with J. A. Morrow in the contract.

General William Meyers testified that John McCormick, of Omaha, sent to his office a bid by J. E. Boyd, to be taken to the Indian Office on the last day that bids could be received. This bid was at 3.90-100 cents per pound, the same rate as the bid by Morrow, in which Bosler and McCormick were partners. On the morning of the 12th of September, the day the bids were to be opened, a telegram was received, signed by J. W. Bosler and J. A. Morrow, reducing the bid of $\$3_{100}^{90}$ per 100 pounds for beef to $\$3_{100}^{88}$, and the bid for bacon one-fourth of a cent per pound. When the bids were opened, the contract was awarded to Joseph F. Gibbs, of St. Louis, his offer being $3\frac{3}{4}$ cents per pound. It is in evidence that his first-named surety is a responsible man. Gibbs was informed that the contract had been awarded to him, and on the 14th of September telegraphed thus, "I am compelled to decline my bid for furnishing beef to Indians, being unable to furnish required bonds." The natural inference is, that he had been bought off by the next bidder, as is quite customary. The Indian Office seems to have quietly released the principal and his bondsmen, and awarded the contract, at an advance of 13 cents a hundred, to J. A. Morrow, J. W. Bosler having half-interest in it. The control of this contract was most important to Bosler, for if it had been in the hands of others he would have been unable to force on the Government over one million pounds of beef in excess of his August contract at $6\frac{1}{2}$ cents per pound; and if the beef under the Morrow contract had been delivered at the stipulated time, Bosler would also have been shut out from his late deliveries, which were made long after the time that had been agreed upon. If the scheme for immediate delivery that Captain Poole referred to in his testimony had not been thwarted, and the cattle had been delivered promptly, there would have been a profit on the Morrow contract of eighty thousand dollars, if all the cattle cost the same as those delivered at Whetstone.

As it is the province of the Committee of Investigation to draw its own inferences from the testimony, and to form its own conclusions, I leave the subject with you after this hasty review of the case. It should be borne in mind that more than two hundred pages of closely-printed testimony were placed in my hands yesterday with directions to furnish a written summary to-day. Allow me to thank you for your uniform courtesy towards one trained wholly in mercantile pursuits, and quite ignorant of legal forms and usages. I had supposed that the investigation would have been conducted by the Committee; but when Commissioner Parker employed counsel to procure testimony and to train and to question the witnesses, it became apparent that I must, to a certain extent, conduct the investigation or also employ counsel. The former course, although in most respects less advantageous to the case, seemed more kind, therefore I adopted it.

If, on examining the evidence, you find, as I believe you will, the wrong done to the Government and to the Indian to be much greater than it appeared to be in my letter to the Secretary of the Interior, I know you will not attribute it in any wise to skill in conducting the case, but to the development of mal-practices that have become chronic. The unusual freedom from personalities during the progress of this long investigation affords one pleasant reflection, although there is still much that is painful in the performance of this—one of the sterner duties of life. From your intelligent and earnest consideration of the case I feel confident that the cause of Indian civilization will be promoted, therefore the sole object that I had in revealing the alleged wrongs to the Secretary of the Interior will be accomplished.

WM. WELSH, *of Philadelphia.*

APPENDIX.

DEPARTMENT OF THE INTERIOR,

"RETURNS OFFICE," *Feb.* 10, 1871.

I, George W. Evans, clerk in charge of the Returns Office, do hereby certify that the annexed paper is a full and complete copy of one now on file in this office.

In witness whereof I have hereunto set my hand, this 10th day of February, 1871.

GEO. W. EVANS,

Return Clerk.

DEPARTMENT OF THE INTERIOR,

February 10, 1871.

I, Columbus Delano, Secretary of the Interior, do hereby certify that George W. Evans is the clerk in charge of the Returns Office of this Department.

In witness whereof I have hereunto set my hand and caused the seal of the Department of the Interior to be affixed, the date hereinbefore written.

C. DELANO,

[SEAL.]

Secretary.

CARLISLE, PA., *June* 11th, 1870.

Gen. E. S. PARKER,

Com. Ind. Aff's.

I will furnish you for the use of the Government, for feeding Indians, subsistence at the following prices, to be distributed as you may desire on the Missouri river, at any points not above Fort Rice:

Beef, "American cattle,"	at	6½	cts. per pound, gross.
Flour, No. 1 Spring,	"	6½	" pound.
Bacon, clear sides,	"	25	" "
Sugar,	"	18	" "
Coffee,	"	28	" "
Soap,	"	15	" "
Salt,	"	8	" "

Delivery to commence immediately, and for any amount you may desire.

I will furnish you satisfactory security for the faithful performance of any contract you may desire to make in accordance with the above.

Very respectfully,

(Signed,)

J. W. BOSLER.

DEPARTMENT OF THE INTERIOR,

RETURNS OFFICE, *Feb. 14, 1871.*

I, Geo. W. Evans, clerk in charge of the Returns Office, do hereby certify the accompanying paper is a true representation of the Record of the Returns Office relative to contracts filed by Ely S. Parker, Commissioner, and Wm. F. Cady, Acting Commissioner of Indian Affairs, since July 1, 1870.

In witness whereof, I have hereunto set my hand the date above written.

GEO. W. EVANS,

Returns Clerk.

DEPARTMENT OF THE INTERIOR,

February 14, 1871.

I, Columbus Delano, Secretary of the Interior, do hereby certify that George W. Evans is the clerk in charge of the Returns Office.

In witness whereof, I have hereunto set my hand and affixed the seal of the Department of the Interior the date above written.

[SEAL.]

C. DELANO,
Secretary.

DEPARTMENT OF THE INTERIOR,
"RETURNS OFFICE," *Feb. 14, 1871.*

The following are all the contracts or agreements made by the Indian Office since June 1st, 1870, that has been sent to this office for file, with the dates that they were received.

Hon. Ely S. Parker, Commissioner, with James W. Bosler, for furnishing subsistence to Indians. Received July 15, 1870.

Ditto with E. C. Paquet for furnishing dies for Indian medals.

Ditto with Northwestern Transportation Company for transporting supplies to Indian agencies. Received December 16, 1870.

Ditto with James W. Bosler for bacon to Indian agencies. Received February 3d, 1871.

Wm. F. Cady, Acting Commissioner Indian Affairs, with J. A. Morrow for 7,140,000 pounds of fresh beef. Received September 22d, 1870.

GEO. W. EVANS,
Returns Clerk.

The contract of the N. T. Co. above referred to was dated September 26, 1870, and signed by Chas. D. Woolworth, Secretary.

LETTER

FROM W. WELSH, ADDRESSED TO

To the Hon. ELI K. PRICE and the

Hon. WM. STRONG:

DEAR SIR: As co-laborers in the inception of an important work that is now awakening much public interest, I ask your consideration of the following paper:

Is it not increasingly apparent to you that the public mind is rapidly tending towards a determined demand for a thorough reform in public expenditures? During the recent period of political and military strife and of inflated currency little thought was given to the wasteful expenditure of public money. Indeed, many who were amassing fortunes out of a public calamity proclaimed our rapidly-increasing public debt as a national blessing. Now, as party passion has subsided, and currency is approaching a specie basis, taxation is realized as a grievous burden, for commerce and manufactures flag, because, being hampered with debt, we can no longer so successfully compete with other nations. The high cost of house rent, and of the necessities and comforts of life, has forced upon the minds of our intelligent working people the truth, that the consumer is the real taxpayer, and also that they have become the willing bondsmen to a clique of office seekers insignificant in number. The belief is gaining ground that our present onerous taxes can be reduced at least twenty-five per cent. if public business is conducted honestly and intelligently. Most of our thinking people seem already to have resolved on having this reform, the public press, both partisan and independent, has proclaimed it, and surely ere long it will be in successful practice; therefore woe be to the political party that throws obstacles in its way. With intelligent and skilful leaders, entitled to the full confidence of the people, reform measures can even now be successfully introduced into every department of our Government, whether National, State, or Municipal. It is, however, natural that the public mind should first fasten on the department where corruption is most glaring, and where its baleful influence is demoralizing or stirring up to strife a people who should be protected and nurtured by a Christian nation.

Recent events show that the following issue is now fairly

before us: "Shall a clique of avaricious contractors, backed by a few ambitious politicians and some unprincipled land jobbers, be any longer allowed to defraud and demoralize the aborigines of this country—to disgrace this nation, to jeopard the lives of our enterprising frontiersmen, and to involve the Government in costly and shameful wars?" Although it is hardly likely that any one can be found to vote openly in favor of such a proposition, yet there are hundreds, and perhaps thousands, who privately throw difficulties in the way of every measure likely to rescue public money from either partisan or personal grasp. The report of our committee, printed for private circulation in April, 1869, shows that the present Board of Indian Commissioners was originated by yourselves and others of your fellow-citizens, as a measure of reform. Its progress was slow until within the last few months, when the whole community have been aroused to the importance of a thorough reform, by an exposure of a few of the existing malpractices in Indian affairs. You both will remember that before our prearranged interview with the President of the United States and the Secretary of the Interior, on March 24, 1869, our committee had unanimously agreed that the only available mode of rescuing Indian affairs promptly from political and other corrupting influences, was by the appointment of a Commission of the best men in the country, empowered with joint control with the Secretary of the Interior, over the disbursement of money appropriated for Indians. Prominent Congressmen had assured us that little over twenty-five per cent. of the money appropriated for the benefit of Indians ever reached them, three-fourths being taken by political and other plunderers, chiefly in Washington. Our committee, being composed of thoroughly practical men, some of whom are in business more extensive than that of the Indian Department, well knew that a check on the disbursement of money, held by men of the highest integrity, not subject to political pressure, could alone free the Commissioner of Indian Affairs from influences that would, from long usage and political domination, be irresistible without such a positive restriction.

The following extract from the report of our committee, printed for private circulation, gives the result of such a proposal made at the Executive mansion:

"The committee told the President and Secretary that they

desired perfect frankness; for, although the proposal was not made with a desire to have any member of the committee placed upon the Commission, yet it did seem presumptuous to suggest that a Cabinet officer should share his responsibilities with others. The committee, however, wished it distinctly understood that whilst the Commission, as suggested by them, could effectually check the misdirection of funds by a joint control over every expenditure, yet it desired that all the Government machinery and agents should be continued.

The committee further stated that through the association of Christian philanthropists with the Secretary of the Interior, the lost confidence of Congress could be regained, the Indians made more hopeful, and the whole Christian community aroused to co-operate with the Government in "civilizing, christianizing, and ultimately making citizens of the Indians." The committee thought that Government money should not be expended by churches, and that sufficient sums for teaching, caring for the sick, or preaching, would be freely proffered when the charitable people of this country were inspired with confidence.

The committee then told the Secretary of the Interior that, although he was entitled to the highest confidence of the people, and they felt sure he would gain that confidence, yet he must be aware that the Indian Department had hitherto been prostituted to the most flagrant abuses to increase political patronage. What had been before might be again, unless some plan could be devised to protect him and the Indian Department from the claims for patronage by political leaders, which, through usage, were well nigh irresistible.

After a long and frank conference between the President and the Secretary of the Interior and the various members of the committee, all of whom expressed their sentiments more or less fully, the President gave his cordial assent to the proposal, and the Secretary of the Interior magnanimously desired that it should be extended to all appropriations to the Indian Department.

On the next day he gave the following letter to our committee, to assist them in procuring favorable legislation:

DEPARTMENT OF THE INTERIOR,
WASHINGTON, D. C., *March 25, 1869.*

GENTLEMEN: I take great pleasure in saying to you that the proposition submitted by you to the President yesterday, for the appointment of a Commission to co-operate with this Department in the work of civilizing the American Indians, *and expending such funds as may be appropriated by Congress for that purpose*, under existing treaties or otherwise, meets his heartiest approval, as well as my own.

I believe that a concerted effort between the good people of the country, whose hearts are interested in this work, and the Government itself, will give ground to hope for results which former systems have failed to effect.

The condition of several tribes on our frontier is now such, that the question of immediate and thorough action looking to civilization is the only alternative or mode of escape from exterminating wars.

Very respectfully,

Your obedient servant,

J. D. COX, *Secretary.*

To Hon. ELI K. PRICE, WM. WELSH, WM. STRONG, and others.

To carry out the spirit of our agreement with the President and the Secretary of the Interior, Senator Harlan prepared an amendment to the Indian Appropriation Bill to the following effect: The President to have authority to organize a Board consisting of not more than ten Commissioners to serve without pay, "who may, under his direction, supervise and control the disbursements of money," all contracts, erection of buildings, removal, and subsistence of Indians, and the selection of employees; having also authority to suspend, temporarily, Indian superintendents and agents, &c., &c.

Secretary Cox, thinking that too much power would be conferred on the Commission by this bill, suggested as an amendment, in his own handwriting, the words, "Exercise joint control with the Indian Department over the disbursement," &c. With the assistance of Senator Fessenden the amendment prevailed, and the Commissioners were appointed under the authority of a law stating that, if appointed, they were to have "joint control with the Secre-

tary of the Interior over the disbursement," &c. No other duties were indicated, except that these Commissioners were to "enable the President to execute the powers conferred by this act," which gave him two millions of dollars for civilizing Indians, &c., independent of the Indian Office.

The *peculiar influences* that have long been brought to bear on the Interior Department, and especially on the Indian Office, forming an infectious malaria within its walls, became manifest soon after the enactment of this law. Commissioner Parker was sent to New York to open and accept bids for the dry goods needed by the Indians, proposals for which had been duly advertised in the *usual manner*.

As the board of Commissioners appointed some time before had not yet been convened, General Parker was instructed not to act without the concurrence of Mr. George H. Stuart, of Philadelphia, and Mr. William E. Dodge, of New York, two of the board of unpaid Commissioners. These experienced business men, discovering evidences of the customary fraudulent intent on the part of some of the bidders, obtained a ware-house without cost to the Government, that the goods might be strictly examined before shipment. For after shipment to the distant reservations, frauds could not be detected, or reclamations successfully made, and there might be accomplices of the skilful Indian ring at the agencies, or speculators who would not report discrepancies from the invoices in quality and quantity.

Commissioner Parker, under the specious plea of a great loss of time, urged by the habitual sellers of Indian goods, proceeded to Washington, and got the original order revoked, so far as to direct Mr. Stuart and Mr. Dodge to examine the goods in the stores of the sellers.

This Executive order was issued without any conference with the unpaid Commissioners, who were, under the terms of the law, to have joint control with the Secretary of the Interior. If asked, they would have satisfied every mind open to conviction, that there would not have been any great delay, and that an honest administration of affairs could be secured in no other way. Of course these gentlemen refused to examine, as they could not protect the interest of the Government; therefore the Indian goods were shipped in the customary way.

I believe President Grant and Secretary Cox had as honorable intentions as any member of the Board of Commissioners. Their disposition to be influenced by the heart instead of the head, their surroundings, and their lack of experience in detecting frauds in Indian supplies, may have prevented them from realizing the important bearings of the law, that had been enacted with their sanction. When the Board of Commissioners was convened in Washington, on the 10th of May, it became apparent that little, if any "joint control," or any other kind of controlling power would be allowed, and the Executive order dated June 3, took from the Commissioners *all power* to reform a single abuse.

The Secretary of the Interior in his annual report to the President said: "No direct responsibility, either pecuniary or administrative, was put upon this commission, because it was believed, that their usefulness would not be increased thereby." It is hardly probable that any member of that Commission desired an office so profitless, so arduous, and so offensive to those who are enriching themselves at the expense of the Indian; therefore, I feel confident that each member felt constrained to serve solely from a stern sense of duty. Acting as their chairman, my mind was specially directed to the importance and the extreme difficulty of the task, and therefore this remarkable nullification of an important law constrained me to send to the Secretary of the Interior a note of the following import: Please say to the President that as all the power intended to have been given by the act of Congress, has been withheld, I decline to render further service as a Commissioner, but I will, at my own expense, aid him in caring for the Indians by visiting them on their reservations.

At that time some of my friends questioned the wisdom of the act; but after due consideration I am fully convinced that I was right, although I am very glad that my former colleagues were willing to continue in office. They had no responsibility in framing the law and procuring the necessary legislation, therefore the members of Congress could not censure them as they would properly have censured me had I consented to act under a law after it had been emasculated.

This Board of unpaid Indian Commissioners has accomplished much good, and will, I have no doubt, claim its en-

larged powers, so as to assist more effectively in correcting abuses that still exist. A single instance will suffice to show how fully the Commission was stripped of power. A prominent clerk in the Interior Department was charged with the distribution of \$90,000 to a tribe of Indians. One of the Commissioners was asked to supervise the distribution, and he begged the clerk to desist until special instructions were received from Washington, as he learned that a man, who alleged that he had procured the appropriation, was to get one-third of the sum. It seems that the claimant is the bondsman of the Clerk of the Interior Department. The remonstrance was unheeded, and the \$30,000 was taken by him from the Indians by a previous agreement.

Although many of the friends of the Indian were disappointed and somewhat disheartened when the *power* to reform abuses was withheld from the Commissioners, yet they soon rallied again, and the work of reform *outside of the Indian Office* has steadily progressed.

Dry-goods are now examined and packed in a warehouse that is under the control of the Government, whilst manufacturers and other honest dealers, who had become disheartened by being unsuccessful bidders, now supply Indian goods at the lowest market rates. Through the independent, and therefore highly commendable action of the President and Secretary of the Interior, Indian superintendencies and agencies are no longer shared out as political patronage. The fornicator, the pilferer, the drunkard, and the whisky-seller are being driven from Indian reservations. Some of these, however, and their political upholders impugn the motives of the new agents, and try to prejudice the Indians against them. The good work progresses steadily, but the missionary associations that have consented to recommend and supervise agents, find it difficult to procure suitable men at \$1,500 a year, because high capacity is required, and the cost and inconvenience of living on many of the reservations is very great. Heretofore, an Indian agent was not thought clever who did not enrich himself in four years, while now the work of reformation has progressed so far that a man with a blemished character is sure to be exposed as soon as his name is subjected to public scrutiny. Both political parties now consider it politic to show mercy to the Indian, and Congress

seems ready to act liberally, if the Indian service can be administered intelligently and economically.

As the first Congressional effort to restrain the Indian Office failed, through the action of the President and the Secretary of the Interior, Congress, in July last, made it the positive duty of the Commissioner of Indian Affairs to consult the board of unpaid Commissioners in all his purchases of Indian goods, and to invite them to inspect said goods, and also to supervise all expenditures of money. Except in the purchase and inspection of dry-goods, this law was completely nullified by the Commissioner of Indian Affairs, as he made large purchases before and after the enactment of the law without notifying the Commissioners. This subject is being considered by a Committee of the House of Representatives; therefore Congress will undoubtedly see that hereafter its laws are strictly complied with.

All agree that a radical reform in the Indian Office is essential to the work of Indian civilization; and, as the people and the press have resolved on it, this reformation will surely be accomplished or the office abolished. It is impossible to say how much of the wrong-doing in that office is attributable to tardy and imperfect legislation, or how much is chargeable to the officers and employees who may lack the power or the courage necessary to reform chronic abuses that are often abetted by men in high places. Let us be charitable in regard to the past, and more watchful in the future, holding to a strict accountability all who are charged with the care of the Indians or their appropriations.

I trust this sketch of the origin and progress of one of the attempted reforms in Indian affairs will serve to stir up my former colleagues and others to still greater efficiency in a work that claims and requires the assistance of all who are entitled to public confidence.

Yours sincerely,

WM. WELSH, 1122 Spruce Street
PHILADELPHIA, January 11, 1871.

